

PLANNING AHEAD

Notes for the Planning Community

Volume 1, Issue 1

February 1998

STEVE STOCKTON

ACTING CHIEF OF PLANNING

Welcome to the first issue of *Planning Ahead*. I would like to do two things with this first issue of our newsletter: First is to let you know about the intent of the newsletter and second, some initial thoughts as your Acting Chief of Planning.

Primary purpose of this informal monthly newsletter is to facilitate communications within the Corps planning community. (Harry Kitch was kind enough to volunteer to serve as editor). I have asked the Planning staff here in HQ to submit short, relevant articles concerning items of interest to all of you folks in the field. I would also like to invite all of you to give this the widest distribution possible within your organization and to become contributors. If you have questions to ask, information or successes to share - please use this as a forum.

Some initial thoughts:

I have no intention of becoming the permanent Chief of Planning. I volunteered to become acting Chief of Planning because of the strategic importance of Planning to the Corps of Engineers of the future. To quote the Great Dr. G. Edward Dickey, of whom I'm a devoted disciple: "No planners, no plans, no projects".

I am not going to be a passive caretaker of the program while I am in this position. I intend to be proactive and to at least sustain or maybe even increase the tempo of the program. I intend to be involved. My management philosophy is one of empowerment and trust. We work for you and are here to support the field. HQ should maintain an honest broker role. We will trust you until you give us a reason not to.

I hope to maintain open communications and to maintain credibility with Congress and the administration.

I happen to be an engineer but I am a strong advocate of the Multi-Disciplinary approach. I appreciate the diversity of skills and contributions of all team members. I have been Chief of Planning in a district. I am certainly not a planner by profession, but I do have an appreciation for what you do.

Many of you receiving this newsletter are leading candidates for the Chief of Planning position. If you are interested in this position and would like to discuss strategies on how you might become more competitive, I would be pleased to discuss with you. Please send me a note via E-mail or give me a call at 202 276-0115/0215.

Again it's great to be a planner. I look forward to working with you over the next few months until we can get a permanent chief selected.

Steve
❖

A Word from the Editor

Harry Kitch

I would also like to add my welcome to you with our first edition. We hope that this effort will serve to improve the communication among all the planners and those we work with throughout the Corps. While this first edition has information from the Washington level, we hope and expect that future editions will have mostly information and perspective from those of you on the front lines in the districts. We hope that these notes become a forum for you to share your experiences to help all of us learn from each other. We can't afford to reinvent the wheel in each office. Please send me your thoughts, questions, success stories, and bitter lessons so that we can share them on these pages.

As we start this new endeavor, it is appropriate for us to reflect on the experience and wisdom that Dr. Dickey passed on to us when he retired earlier this month.

Harry



Dr. Dickey's Retirement Luncheon Remarks

Washington D.C., 6 January 1998

I want you all to know how I much I appreciate the honor afforded me by your attendance, by the thoughts you have expressed both publicly and privately, and by the remembrances you have presented me today.

I have enjoyed 27 wonderful years learning about Federal water resources programs. During this time, I have had many opportunities to challenge traditional assumptions and practices and to influence the content and direction of many programs. I look forward to new experiences which will

allow me to draw upon the knowledge and insights I have gained from so many of you.

Before yielding this platform today, I cannot resist offering some substantive observations and gratuitous advice to those who will continue to shape the Civil Works program. Having devoted so much of my career to the planning of new water project investments, I have strong feelings about the present challenges faced by the planning community within the Corps of Engineers. The Civil Works planning staff, alone among the Federal natural resource management staffs, continues to have the capability to address big water resource issues in a systematic and disciplined way.

I have always been amazed by the limited appreciation, beyond the planning community, of the true importance of water development and project selection. The primary basis for water project investments has been and will continue to increase the productivity of our nation's economy, that is, to increase the size of our national income. No nation can misuse its water resources and hope to become a modern productive economy with a healthy and pleasant environment.

Continuing water resources infrastructure investment is essential to the successful functioning and growth of our economy. It is also true that these investments have important consequences for the character of the natural environment. To obtain maximum social benefits there must be consideration of the tradeoffs among competing values during the planning process. Poor planning has important consequences. Unproductive investments detract from national economic welfare and needlessly disrupt valuable ecological processes.

The Corps of Engineers, unlike most other Federal programs, is given the responsibility for tailoring its projects to the specific physical

economic and environmental context in which these projects will perform. To guide that investment decision making process, a formal planning framework, The Principles and Guidelines, was first promulgated in 1973. That was the year I came to Civil Works, and consequently, I have had the pleasure of shaping and reshaping this remarkable planning framework on three occasions during my career. The essential element that the P & G brings to project planning is the requirement to address the issues of project scope and scale. The requirement to address the mix and magnitude of services to be provided is what differentiates the water resources investment program from other program which are guided by absolute standards or by what is technologically feasible.

During the decades I have been associated with the formulation and selection of new water projects, I have seen that important gains have been made in defining more carefully the Corps investment program. Systems analysis for inland navigation, risk analysis, and systematic formulation of ecosystem restoration projects, as well as more careful attention to optimization, generally have substantially improved the productivity of new project investments. Many of those here today have played important roles in developing and implementing these new techniques which have kept the Corps in the forefront of the planning arts.

In recent years, powerful forces have been at work disrupting the trend toward productivity growth in water resources development. Federal subsidies for some projects with poor performance prospects are being increased thus making them more likely to be built. New planning models based on collaboration and consensus building uninformed by analysis are being advanced in the case of complex projects with extensive impacts.

Finally, a naive commitment to customer satisfaction (with a definition of the project sponsor as the only customer) is further tipping the scales away from systemic plan formulation and sound project planning. Finally, within the Corps of Engineers, planning expertise has been lost, and planning organizations have been buried within organizational hierarchies in districts and divisions. It is this last source of productivity decline that I wish to discuss in the next few minutes.

Many of us are aware that as workloads have decreased, and the amount of work contracted out has increased, there has been a contraction in many district planning staffs resulting in a loss of both depth and breadth of expertise. In some cases, smaller organizations have led to consolidation of planning with other organization units. The result has been that in some districts, planners have little visibility or voice in district decision making. Moreover, disciplines have become so thinly staffed that there is often little opportunity for routine professional interchange and thus personal growth and advancement. In all too many districts, the interdisciplinary planning team consists of bright young well educated and enthusiastic men and women who are asked to perform effectively and efficiently without the benefit of experience or the counsel of senior professionals. The solution to the loss of expertise and visibility is consolidation of planning resources across districts rather than across functions within districts. Because such geographical consolidations are certainly not without political perils, they can be accomplished only with planning and time. However, it is essential that the process of geographic consolidation of planning expertise be initiated as soon as possible. This is the one substantive recommendation I have today. Those within the Corps need to work diligently toward this objective, and

those outside the organization need to support geographical consolidation in the public arena.

Before closing, I cannot let this occasion pass without joining those who, at similar occasions, have paid tribute to those who have been special players in their professional lives. I have always felt especially blessed in having had the opportunity to work for and with some really remarkable people from whom I have learned a great deal. There is only one person whom I want to identify specifically. That person is my career-long colleague, Steve Dola, who also retired last week. Steve, more than anyone else, has taught by example what it means to be a good steward of the public welfare, and I thank him for being the model he has been for me and for so many others in this room today.

I have had a wonderful time these past three decades. In approaching each day, I have always agreed with the perspective of Giovanni de=Medici who in 1513 was reported to have said something like, "Let us enjoy this office since God has given it to us. " Giovanni was hardly a model of distinguished service, but I have nevertheless appreciated his perspective on how to approach one's work. I have truly enjoyed my government service and thank God for all that He has given me. My first boss, Alain Enthoven, who was the Assistant Secretary of Defense for Systems Analysis under Secretary MacNamara and who had me assigned to his staff as a first lieutenant in Army in 1975, strongly believed that being approximately correct was the best that could be achieved in addressing the complex issues inherent in public decision making. I hope that in my actions, I have consistently achieved that goal.

Thank you for coming.



Update of ER 1105-2-100

Lillian Almodovar - CECW-PD

A revised model for water supply agreements and permits was recently released for Field Offices use. The model agreements replace those found in Appendix K of ER 1105-2-100, Policy and Planning Guidance for Conducting Civil Work Planning Studies dated 28 Dec 1990. The models shall be used for water supply storage, surplus water and water withdrawals agreements to be submitted to HQUSACE for review and approval. Use of these model agreements was approved by ASA (CW) on 17 December 1997. Electronic copies have been forwarded to all districts and divisions and have been placed on the Chief Counsel's homepage and the Planning Division's homepage. ❖

Planning Primer

At the request of field planners and managers, the Institute for Water Resources published a Planning Primer on November 1997 (IWR Report 97-R-15). The primer is an introduction to planning that guides the reader through a six-step planning process. The use of the planning process as an effective decision-making tool is emphasized. A suggested list of sources for additional information is included. For copies of the Planning Primer call (703) 487-4650. ❖

Economic Guidance Memoranda

Ron Conner - CECW-PD

EGM Number 98-1: FY 1998 Interest Rates.

EGM 98-1 provides the interest rates to be used for Fiscal Year 1998 for water resources projects. The guidance includes five enclosures that address the specific rates applicable to various water resources project purposes. Enclosure 1 specifies the *FY 1998 Federal Discount Rate of 7-1/8%*. This rate is to be used in the formulation and evaluation of the National economic effects of plans for water and related land resources for the purpose of discounting future benefits and computing costs, or otherwise converting benefits and costs to a common time frame. Enclosure 2 presents the *Repayment and Reimbursement Interest Rates for FY 1998* to be used in the computation of interest on deferred payments and reimbursements along with guidance on the interest computation and repayment schedules. Enclosures 3-5 present additional information on water supply and hydropower rates, and the interest rate for delinquent payment collection. ❖

EGM Number 98-2: Deep Draft Vessel Operating Costs.

This memorandum provided updated economic information on vessel operating and replacement costs for FY 1998. The guidance reflects a complete reanalysis of all costs and vessel characteristics. The most significant change from the FY 1995 Vessel Operating Costs (December 1994) is the decrease in containership costs. In addition, for the first time operating costs have been provided for 4800 and 6000 twenty-foot equivalent units (TEU=s) size containerships. The drop in containership costs reflects the highly competitive market the industry operates

within and the trend toward increasing efficiencies in terms of the ability of vessels to carry more TEU=s per deadweight ton (DWT). The guidance includes a worksheet that summarizes the percent changes between the previously published and current vessel operating costs. Note that the guidance has capped the increases and decreases in vessel operating costs at 5%. Therefore, when using the capped costs, District planners should be aware that distortions in the vessel operating cost - vessel size relationship may occur for some types of vessels. These could lead to decreases in benefits when a navigation project results in a shift to larger vessels. If a District believes this is occurring in a project study, Ron Conner @ CECW-PD (202/761-0132) should be contacted.

Still to come in FY 1998 is an updated software program to accompany the deep draft vessel operating costs. IWR is currently working with contractors to enhance the software so that it will be easier to use than the previous version of the program that was demonstrated to field economists in November 1996. Among the modifications is a shift from a DOS environment to a stand-alone Windows version.

The next update of the deep draft vessel operating costs is scheduled for release in FY 1999. Christine Montoney, IWR-N @ (703) 428-9085, can address technical questions concerning FY 1998 costs or the development of the software program. ❖

Dredged Material Management Plans

Ron Conner, CECW-PD

In August 1994, HQUSACE implemented new guidance on Dredged Material Management Plans (EC 1165-2-200). The guidance, later incorporated in Planning and Operations Engineering Regulations, established U.S. Army Corps of Engineer policy and procedures for the development, review, approval and implementation of Dredged Material Management Plans (DMMP) at existing and proposed navigation projects.

The guidance requires the establishment of a management plan for all projects. Each plan needs to identify the specific measures necessary to manage the volume of material likely to be dredged over a twenty year period. Additionally, the DMMP establishes the "base plan" for the project. The "base plan" is defined as the least cost means of maintenance dredging, consistent with engineering and environmental parameters. Finally, the management plan must include an assessment of the potential for beneficial uses of the dredged material for environmental purposes such as fish and wildlife habitat creation and restoration and/or hurricane and storm damage reduction. The guidance requires dredge material management planning be performed as a two-phase process. The initial phase, called the preliminary assessment, uses available maintenance and usage information to determine whether more detailed studies are required to establish a management plan. In many cases, the preliminary assessment can serve as the dredged material management plan. However, in the cases where the basic information is inconclusive, i.e., where attempts to define the base plan disclose significant problems or where major new

investments (such as a new confined disposal facility) are required, then a more detailed management plan study is required.

The Corps DMMP process is still in its infancy. However, many districts are using it as an opportunity to develop efficiencies in existing maintenance dredging activities, plan future dredging activities, and identify future disposal problems. The process gives the Corps of Engineers another tool in its increasingly challenging task of operating and maintaining the Nation's harbors and waterways.

For further information on DMMP requirements and process, please contact Ron Conner, CECW-PD at (202) 761-0132.



Conference: Watershed Management >98: Moving from Theory to Implementation

Cheryl Smith – CECW-PD

The Water Environment Federation (WEF) is sponsoring and managing a specialty conference, the theme of which is "Watershed Management: Moving from Theory to Implementation". It will take place 3 - 6 May 1998, in Denver, Colorado. The Corps is a cooperating agency in this effort and an active participant on the Technical Program Committee. A number of individuals throughout the Corps have assisted in the efforts of this committee. All of their efforts are appreciated and a special 'thank-you' is extended to Erika Hieber, Baltimore District, and Bruce Bennett, Galveston District, for their efforts and assistance.

We are pleased that the Corps will have a presence at the conference. A number of Corps representatives will be presenting individual papers, moderating sessions or participating in a two-hour panel, entitled, "The Corps - Connecting with Watersheds". In addition, Mr. Michael Davis, OASA (CW), will be a keynote speaker during the opening session on Sunday, 3 May 1998. We encourage participation as a conference of this type provides a good opportunity to share experiences, build new partnerships and broaden your own perspective on watershed management. ❖

**Continuing Authorities/
Environmental
Restoration Programs
Conference & Training**

*Russ Rangos & Ellen Cummings –
CECW-PM*

A national meeting for Continuing Authorities and Environmental Restoration Programs (CAP/ENV) division and district managers will be held 7-9 April 1998, in Portland, Oregon. A one-day 'basic training' session for new CAP/ENV managers will be held on 6 April. This is the first national meeting since December 1993, which was the eve of significant changes in program policy, procedure, and approval authority. A memo from Steve Stockton, the Acting Chief of Planning has just gone out with a preliminary agenda and a list of potential workshop topics.

Let us know if you have any suggestions for additional topics. We are looking for field volunteers to make presentations and serve on panels to discuss successes and lessons

learned. We encourage participants to be involved in one of these panels or workshops. CAP/ENV managers are also receiving material regarding interest in the various workshop topics. Suspenses will be short, so timely responses are important. We look forward to seeing you there. ❖

**Planning Guidance
Letter No. 97-6: Cruise
Ships and Benefits to
Navigation.**

Ron Conner, CECW-PD

This PGL provides implementing guidance for Section 230 (Benefits to Navigation) of WRDA >96. The guidance is being incorporated into the revision of ER 1105-2-100, Guidance for Conducting Civil Works Planning Studies. Section 230 directed the U.S. Army Corps of Engineers to categorize all benefits generated by cruise ships as commercial navigation benefits.

PGL 97-06 indicates that, consistent with Section 230, feasibility studies should consider economic benefits generated by cruise ships as commercial navigation benefits for project justification and cost sharing purposes. It states that cruise ships that operate out of existing Federal channels and harbors will receive equal consideration with other commercial navigation vessels for Federal harbor or channel improvements. Likewise, where new channels are required for cruise ships they will be treated like other new channel decisions for other commercial navigation vessels.

Benefits of navigation improvements affecting cruise ships arise from more efficient ship operations and increased tourism or enhanced tourism experience. Prior to the

WRDA >96, efficiency improvement was classified as commercial navigation and improved tourism was classified as recreation. Categorization of benefits matters because the Corps considers commercial navigation one of its high priority missions. IWR is currently working with CECW-PD on the development of a NED evaluation framework for cruise ship benefits. A workshop was held with field economists on the methodological approach, and a survey of the operating practices for the cruise ship industry is ongoing. For further information please contact Ron Conner, CECW-PD @ (202) 761-0132 or Mona King, IWR-N @ (703) 428-7257. ❖

Planning Guidance Letter # 98-04 - Limit on Work-in-Kind

Ellen Cummings – CECW-PM

On 22 January 1998, Planning Guidance Letter #98-04 was signed and provided electronically. The PGL states that while work-in-kind after execution of the Project Cooperation Agreement is permissible for both the section 1135 and 206 programs, the nature of the work-in-kind must be carefully considered. In several cases, districts had proposed that the sponsor receive credit for contract management, or construction supervision and administration activities involving contracts awarded by the U.S. Army Corps of Engineers. Many of these tasks are inherent government functions that may not be contracted out or assigned to others to perform (see Federal Acquisition Regulation subpart 7.5). Therefore, it is not appropriate to consider supervision and administration during the construction phase as creditable work-in-kind. A sponsor may continue to

perform construction activities with its own staff or award contracts for such work. The sponsor will be responsible for managing any contracts it awards. The PGL was coordinated with Counsel, Policy, Construction and the PARC. The complete PGL is on the Planning Homepage. ❖

Interagency Training

Beverley Getzen – CECW-PD

CECW-PD has been involved in the development of two interagency courses: "Working at a Watershed Level" and "A Framework for Stream Corridor Restoration. The other agencies participating in this effort include EPA, NRCS, USFWS, FS and BLM. A pilot of "Working at a Watershed Level" will be offered the week of 22 - 26 June 1998 at the USFWS National Conservation Training Center in Sheperdstown, West Virginia. This course provides a basic but very broad foundation of scientific and social principles proven useful in guiding watershed-level activities. Individuals interested in attending the pilot session should contact Ms. Cheryl Smith, at 202-761-0136, for further information. Questions concerning "A Framework for Stream Corridor Restoration" should be directed to Ms. Beverley Getzen, at 202-761-1980. ❖

Civil Works Orientation Course

Gary Hardesty – CECW-PE

There will be two sessions of the Civil Works Orientation Course - Prospect Course in FY 1998. The first session will be held 23-27 March 1998 in Huntsville, Alabama and the

second session is scheduled for 22-26 June 1998 in Tampa, Florida. This course which was completely restructured in FY 1997, covers the entire Civil Works process, including the expedited reconnaissance phase, feasibility studies, PED, construction, and OMRR&R phases. Special sessions are scheduled each day to cover miscellaneous topics as well as role-playing and exercises to better understand this complicated process. If you are interested in further information about the course contact Gary Hardesty, Eastern Planning Management Branch at (202) 761-1723. ❖

How to Contribute

Harry Kitch – CECW-PC

We are looking for articles on the art and science of planning, the planning organizations, new approaches, new ideas, and anything you would like to share with all your fellow planners. Please send your articles to me via e-mail via the Corps system or through the Internet to harry.kitch@usace.army.mil. Please make sure that you include the word "newsletter" in the subject line.

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DEADLINE

The deadline for material for the March issue is 18 February 1998. ❖

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